

# Developmental Disabilities Interim Payment Model

## Frequently Asked Questions (FAQs)

### 1. What are the administrative efficiencies associated with this new process?

- *Adjustments are made in subsequent billing periods thus eliminating the need for virtually all recouping/rebilling efforts.*
- *Cash flow challenges resulting from a gap in the recoup vs. rebill process are eliminated.*
- *Some providers can enter a single rate each month into their master index eliminating the need to adjust multiple rates each month. For other providers, there will be a single rate for all clients each month, which should eliminate errors in billing rates.*
- *Any year end reconciliation between final revenue earned and the waiver spreadsheet will be eliminated (for example, if you have a variance, you need to look at each rate a client should have had, and compare to actual bill to ensure any rate adjustment were made accurately. This can take days of work currently).*

### 2. What will the waiver approval process look like?

- *Agencies can choose to delay their annual waiver respread process until there is a final FY21 approved State budget. This is to eliminate the chance of having to make large amounts of individual budget changes more than once.*
- *Agency will submit Waiver spreadsheet, updated with all known adjustments, by the 15<sup>th</sup> of the month for the previous month (billing will be based on the allocation indicated)*
- *DAIL will review spreadsheet and make any adjustments needed.*
- *DAIL will rename spreadsheet to indicate that it is the adjusted version*
- *Agency will make any adjustments indicated by DAIL on the current working version.*
- *Process will continue each month*

### 3. How do you account for third party clinical insurance payments?

*Each agency will need to account for this by providing the amount to DAIL (as an additional year to date revenue recognition to be used in rate calculation), or in the waiver spreadsheet, which will adjust the total waiver allocation remaining to be billed.*

### 4. Who calculates the pmpm rates and how often?

*DAIL business office will calculate the rate based on approved waiver adjustments on file. This should change on a monthly basis.*

### 5. Monthly waiver spreadsheets are sent to DAIL for approval. Do billings need to wait for that approval?

*Providers should wait until they get their updated approved billing rate from DAIL at the beginning of each month. DAIL will continue with the review and approval process and will notify providers of any needed adjustments. Adjustments will be made in the provider's current waiver spreadsheet thus revising the allocation.*

### 6. What does the spreadsheet need to look like?

*The existing spreadsheet will not change, with the exception of a few minor edits like the removal of daily rate columns. Similarly, the individual daily codes no longer have to be reconciled to an X code: nor will there be a variance box requiring reconciliation on the top of the waiver file.*

### 7. How do you handle adjustments?

It depends on the nature of the adjustments. If they are retroactive corrections on the waiver spreadsheet, these will happen through the updated file organically, and the pmpm will be recomputed to include these adjustments **unless no services were provided within the month**. In these instances, recoupments will have to be processed in addition to making the correction on the waiver spreadsheet. If you are referring to adjustments in your billed amount (eg. Medicaid ineligibility and thus a true denial), this will be reflected in your revenue recognized to date referenced in the instructional guidance and the recomputed rate will accommodate for such.

**8. How is a denial handled on the spreadsheet?**

Please see answer to #7

**9. What qualifies a client to be able to be billed in a month.**

The client must be an active client per the latest DAIL approved waiver spreadsheet. Keeping in mind there will need to be a process in place at the agency level to ensure they received at least one service in that billed month.

**10. Are recoupments needed?**

Only if the client was not served at all during a month in which they were billed.

**11. If a client transfers mid-month, can both agencies bill?**

Yes, as the waiver spreadsheets will reflect only the dates of service the provider was responsible for and thus the allocation (and resulting pmpm) will reflect only those dates. Each provider billing for that month must enter only the dates of service in the month that client was receiving service at their agency. If the dates of service overlap, the second claim submitted would be denied. The full pmpm monthly amount will be submitted on the claim, but the dates of service must be accurate. The dates of service should be consistent with the information sent to the state on the transfer form.

**12. How will the year-end reconciliation be done if the rates billed are not the rates on the waiver spreadsheet?**

If your revenue ties to your waiver spreadsheet (which is the intent of how the calculations for the pmpm are derived) then the budgets indicated for each individual is equal to the revenue generated by the pmpm.

**13. With this process, how would you be able to compare budget to expenses.**

If you're talking budget to revenue, please see number 12 above. If you are talking budget to expenses, the waiver billing mechanism is not nor has been designed to reflect true expense.

**14. There could be an instance where one consumer has a daily rate of \$25 and another a daily rate of \$800. How is AR tracked? If you are billing at the higher pmpm rate but the actual rate is much less and it denies, isn't that a problem for state? Overbilling?**

AR is tracked to the pmpm billed per client. As to denials, since the waiver spreadsheet is adjusted to reflect denials and your actual revenues earned reflect the denials, there is no demonstration of overbilling. The AR is reflective of cash flow only. **The waiver spreadsheet is the source of truth for revenues earned per client.**

**15. Do we need a new billing code?**

99199 with HW modifier is the new code.

**16. How will pass-thrus be handled?**

The same way they are handled today. There is no change.